

## CITY IN \$20,000,000 HOLE ON TAX RULING

Craig Says Court's Ban on Bank Levy May Force Rise in Rates.

### MUST REDUCE BUDGET

Comptroller Thinks Congress Might Give Constitutional Relief.

### HOPES FOR ALBANY AID

Says Mandatory Legislation Has to Be Cut or State Must Meet Losses.

The city will lose upward of \$20,000,000 and the tax rate will go higher by the recent decision of the Court of Appeals declaring unconstitutional the one per cent. bank tax, unless qualified by relief that must originate in Congress and made effective by the New York Legislature, according to a statement issued last night by Comptroller Craig.

Between \$12,000,000 and \$13,000,000 of this sum has already been collected and will have to be refunded with interest at the legal rate unless relief is forthcoming. The remainder is part of the resources of the general fund pledged to meet the requirements of 1922 and 1923 budgets, and without the fulfillment of that pledge it is impossible to meet the requirements of those budgets, according to Mr. Craig.

The 1923 budget, totaling \$253,350,075.67, was based upon the assumption that the city in 1923 would receive the bank tax of more than \$5,000,000, which is due on December 31 next, and the failure of the payment of this tax will necessitate a reduction in the budget of a like amount.

#### The Bank Tax Decision.

Mr. Craig's statement in part follows: "Last Tuesday the Court of Appeals rendered a decision in regard to what is known as the bank tax. This decision is the result of provisions contained in the State income tax law passed by the Legislature in 1919. The inequalities of the income tax law as revealed by this decision should bring to an end the fatuous legislative policy of stripping the city of New York of its taxable resources and at the same time saddling upon it millions of dollars of liabilities created by the State for State purposes, to be financed, however, by taxes raised under the compulsion of such legislation by New York city.

"As I pointed out in opposing the passing of the Income Tax law, it should have been more properly entitled: 'An Act to grant Exemption from Taxation.' By its provisions hundreds of millions of dollars of personal property was stricken from the tax rolls of New York city and throughout the State and by similar provisions in the corporation income tax law, further hundreds of millions were in like measure stricken from the tax rolls of New York city.

"The taxes thus taken from the hundreds of millions of property thereby exempted were lost to the city of New York, and its power to meet the liabilities imposed upon it was to that extent curtailed. At the same time, in order that the State might not suffer by these wholesale exemptions, the taxes required for State purposes were levied against the incomes of the artisan, the salaried employee, the small merchant and industrial workers throughout the State, who under the stress of post-war costs of living could ill afford to take from the necessities of their families the sums so exacted. While the city of New York was thus being plundered of its right to tax personal property and the machinery and equipment in manufacturing establishments within its limit the Legislature by further measures reached out and

## Jail Woman Shopper Who Has Seven Shaving Mugs

A DEPARTMENT STORE detective interrupted Mrs. Grace Lee, 31, of 8767 Sutphin boulevard, Jamaica, in her Christmas shopping yesterday and found seven shaving mugs in her handbag, he told Magistrate Silberman in Women's Court. Mrs. Lee is said to have told the court that she had "collected" thirty cups in the course of a day's shopping and had sent them to her home. She was held in \$500 bail for the Court of Special Sessions.

took from the city one-half of the fees for motor vehicle licenses within the city and transferred it to the State treasury. This was done by increasing at the city's expense the State's share of these motor vehicle fees from 50 per cent. of the total to 75 per cent. of the total. In like manner the fines collected for violations of the traffic laws on arrests made by the police force maintained by the city of New York were by a companion act of the Legislature transferred from the city treasury to the State of New York. While the resources of the city of New York were thus being transferred to the State of New York the Legislature, by other measures, was placing upon the city of New York huge liabilities that should be met by appropriations made for State purposes.

#### City's Loss in Revenue.

"On the theory that education is a State function the Legislature in the years 1919, 1920 and 1921 enacted mandatory laws that increased the appropriations required for the public schools, Hunter College, City College and the various pension funds in the city of New York at the rate of about \$24,000,000 per year. When it came, however, to appropriating the money to meet these liabilities education ceased to be a State function and the best that the city has been able to obtain from the State to meet such added liabilities has been about \$11,000,000 a year.

"In the meantime the city has been stripped of the revenues formerly derived from the liquor traffic, commonly referred to as the excise tax, formerly averaging about \$6,000,000 a year. The plight of the city is therefore manifest. By legislative fiat it is now required to meet liabilities that materially exceed its taxable resources and its powers under the constitution to levy taxes. In the face of these conditions the city is from week to week being mandamus by the beneficiaries of mandatory legislation, seeking to enforce their alleged rights, regardless of the consequences to others. At the present time there are pending and undecided in the Supreme Court of New York county mandamus proceedings in which, if the applicants are successful, approximately \$2,000,000 will have to be raised by the city of New York.

"Those responsible for the creation of these conditions acted with their eyes wide open and in the face of repeated protests from the city, which were brushed aside without regard to the chaos inevitable upon such a course.

"Only two courses now remain open: The Legislature must either reduce the requirements for these mandatory expenditures or must, by provisions in the State's appropriation bill and by the exercise of the State's power of taxation prepare to meet them."

### BROKER'S OFFICE BOY CAUSES INDICTMENT.

Overheard Disputed Transaction on Phone.

Bernard Werfel, an office boy for John P. Bates & Co., stock brokers, 41 Broad street, was responsible for the indictment yesterday of Artie Triester, described as a customers' man for Bates & Co. This is the second indictment against Triester.

The present complaint was brought by Joseph Goodman, a customer of the Bates company, who alleged that he bought Standard Oil of Utah stock upon Triester's representation that the company was a subsidiary of the Standard Oil Company of New Jersey. That company denies any knowledge of the Utah company, whose stock is an unlisted security of low value.

The transaction is alleged to have taken place in a telephone conversation which the office boy overheard.

#### EX-VASSAR PRINCIPAL DIES.

Special Dispatch to THE NEW YORK HERALD. TOUCHERKEEPSIE, Dec. 14.—Mrs. Georgia A. Kendrick of Poughkeepsie, widow of Rev. J. Ryland Kendrick, died today in Clifton Springs. Her husband, a Baptist clergyman, was a personal friend of Matthew Vassar, founder of Vassar College, and Mrs. Kendrick became lady principal of the college. In the days when it was known as Vassar Female College. This position she retained for twenty-two years.

## SNOW WILL BE OFF STREETS BY NIGHT

Several Thousand Extra Men on Job to Help Taylor's Regular Force.

Alfred A. Taylor, Street Cleaning Commissioner, last night announced that the work of clearing the city streets yesterday of the first real snowfall of the season has gone on without a hitch with the aid of 5,000 members of his force and more than 2,000 men called in for the emergency. Mr. Taylor expects to have all the snow removed by sunset to-day, as the entire force worked throughout last night. Flushing the streets is being done by 300 men drilled in handling hose for just such work. No trouble was reported in the way of sewer flooding

during the flushing, proper precautions being taken.

From the offices of surface, subway and elevated lines came reports last night that little or no interruption of regular schedules was caused by the "baby" blizzard.

### SCHOOLBOY SMOKERS WIN MERCY IN COURT

Max Palechsky of 130½ Monroe street and Benjamin Friedman of 223 Cherry street were before Magistrate Levine in Essex Market Court yesterday charged with disorderly conduct because they had interrupted a class in Public School No. 2 in Henry street by smoking cigarettes and using boisterous language.

The Magistrate said that he ought to send the two boys to jail, but decided not to when Max said he was ambitious to be a policeman and Ben said he wanted to be a lawyer and maybe a judge like the Magistrate. So Magistrate Levine discharged them, saying that if they had prison records they could be neither policemen nor lawyers, but imposed the condition that they apologize to the teacher whose work they interfered with.

## FORDNEY AFFRONT'S ANTI-BONUS LEADER

Writes That Letter of Complaint Has 'Been Properly Filed in Waste Basket.'

Edward L. Allen, national director and chairman of the board of trustees of the Ex-Service Men's Anti-Bonus League, Inc., of 19 West Forty-fourth street, made public last night a photographic copy of a letter from Representative Joseph W. Fordney of Michigan, chairman of the House Ways and Means Committee. The letter, in reply to one from Mr. Allen asking the Representative to refrain from introducing a bonus bill, and written on the official stationery of the committee, follows: "MY DEAR SIR—Your long letter of

complaint of the 9th, fearing you might be taxed a few cents if the bonus bill became a law, which prompts you to write this letter, is received. It has been properly filed in the waste basket. Very truly yours,

"J. W. FORDNEY."

Mr. Allen said that he has sent the following reply to Mr. Fordney: "Sir: Your favor of December 13 received. The Ex-Service Men's Anti-Bonus League has no comment to offer other than to say that your letter is a disgraceful insult to the honor and patriotism of millions of your fellow citizens. Very truly yours,

"EDWARD L. ALLEN."

"By: Chairman Board of Directors."

The letter which prompted Mr. Fordney's missive declared that four out of five of the men who actually fought in the trenches are in hearty accord with the attitude of the league that to serve one's country in time of war is a privilege as well as a duty, and that to seek a material reward therefor is a violation of the fundamental ideals of American citizenship and an act repugnant to the spirit of true patriotism.

### NATION PENSIONS EX-SLAVE.

PARKERSBURG, W. Va., Dec. 14.—Andrew Clark Mellenree, a former slave, is awaiting a check for \$2,212 from the Government which has finally recognized his claim for a pension for his services

to the Union army during the civil war. He also will receive \$50 a month for life.

"Well, it has been a long time coming," was his comment when the pension agent put the Government vouchers before him for signing.

## My Years on the Stage By JOHN DREW

Oliver Herford says of it in *Life*: "The glamour of the golden age of American Drama is happily reflected in the mirror of this narrative whose valuable records and commentaries, together with the directness and the good style of its telling, place it at the head of all the personal dramatic histories of late years."

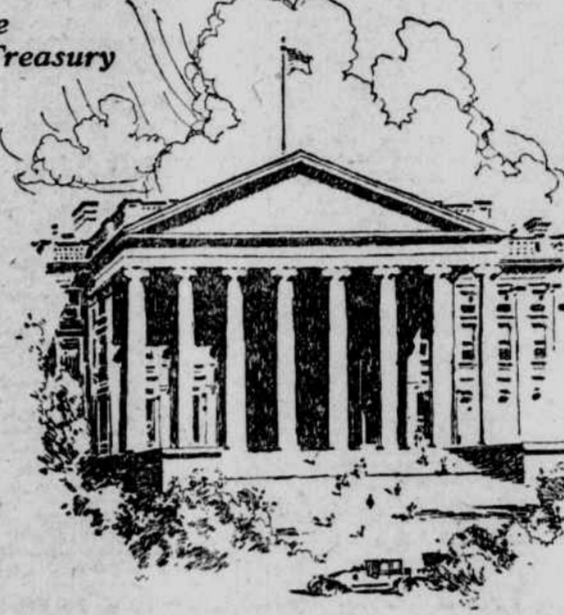
Fully illustrated, \$5.00, postage extra.

At all bookstores or direct from E. P. DUTTON & CO., 681 Fifth Ave. New York

# Exchange Your 1918 War Savings Stamps for Treasury Savings Certificates



At your Postoffice



At the U.S. Treasury



At your Bank

## The United States Treasury offers an opportunity to renew your investment

Your 1918 War Savings Stamps will become due January 1, 1923.

Take them now to your post office or your bank. Exchange them for Treasury Savings Certificates.

If you have \$25 in War Savings Stamps you can now obtain a \$25 Treasury Savings Certificate and \$4.50 in cash.

If you have \$100 in War Savings Stamps you can now obtain a \$100 Treasury Savings Certificate and \$18 in cash.

If you have \$1000 in War Savings Stamps you can now obtain a \$1000 Treasury Savings Certificate and two \$100 Treasury Savings Certificates and \$16 in cash.

These examples show what you can get with your War Savings Stamps. You can make similar exchanges in other amounts.

## Consult your bank or your postmaster

### Advantages to you in owning Treasury Savings Certificates

- 1 Backed by the credit of the United States Government Treasury Savings Certificates are one of the soundest investments in the world today.
- 2 Issued in denominations within the reach of all. A \$25 Certificate costs you only \$20.50, a \$100 Certificate \$82, a \$1000 Certificate \$820.
- 3 Each member of the family may buy up to \$5000 maturity value of any one series.
- 4 At present prices Treasury Savings Certificates earn 4 per cent per year, compounded semi-annually, if held to maturity. Each certificate matures 5 years from date of issue.
- 5 If cashed before maturity you receive 3 per cent simple interest.
- 6 The certificates are exempt from normal Federal Income Tax, and from all State and local taxation (except estate and inheritance taxes).

UNITED STATES GOVERNMENT SAVINGS SYSTEM  
TREASURY DEPARTMENT, WASHINGTON, D. C.



## "One Hundred Golden Hours at Sea"

New York to New Orleans

En route to  
LOUISIANA, TEXAS, NEW MEXICO,  
ARIZONA, MEXICO, and CALIFORNIA

Via  
**SOUTHERN PACIFIC LINES**  
STEAMSHIP SERVICE  
"MORGAN LINE"

STEAMERS sail every Saturday at noon,  
arrive New Orleans the following Friday,  
connecting with the  
**SUNSET LIMITED**  
Arriving Los Angeles Sunday evening and  
San Francisco Monday morning.

Through fares to California no higher than  
via rail routes—meals and berth on steamer  
included. For information and literature address

**SOUTHERN PACIFIC LINES**  
A. J. POSTON, General Agent  
165 Broadway, New York  
Telephone Cortlandt 4800  
Room 1015